CORPORATE OFFICE PROPERTIES

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August 12, 1999

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
TW-A325
Washington, D.C. 20554

Re: Promotion of Competitive Networks in Local Telecommunications Markets, WT Docket No. 99-217; Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98

Dear Ms. Salas:

I write in response to the FCC's Notice of Proposed Rulemaking released on July 7, 1999, regarding forced access to buildings. I enclose six (6) copies of this letter, in addition to this original.

I am concerned that any action by the FCC regarding access to private property by large numbers of communications companies may adversely affect the conduct of our business and needlessly raise additional legal issues. I believe that forced building access is an unconstitutional taking of property. The Commission's public notice also raises a number of other issues that concern us.

Background

Corporate Office Properties Trust is a publicly traded real estate investment trust that owns and manages approximately 15 million square feet of office properties in the Mid-Atlantic region.

Issues Raised by the FCC's Notice

We do not believe the FCC needs to act in this field because we are doing everything we can to satisfy our tenants' demands for access to telecommunications. To date, we do not restrict access by any telecommunications company to our buildings. We, in fact, have attempted to expand the telecommunications available to our tenants by offering additional rooftop facilities for telecommunications companies, as well as expanding the riser capacities in a number of our buildings to handle the necessary fiber optics cabling. We have even initiated discussions with telecommunications companies that would be willing to interlink our buildings and provide satellite communication facilities in order to further decrease telecommunications costs for tenants in the linked buildings.

1. FCC Action Is Not Necessary

- Building owners like us use their bargaining power to negotiate better telecommunications services for tenants. Tenants alone would not have the bargaining power to negotiate effectively with the telecommunications companies.
- We compete against many other buildings in our market and we have strong incentives to keep our properties technologically up-to-date. As a result, we have entered into an agreement with a telecommunications management company who offers our buildings to over 600 telecommunications companies and clients, which are then made available to our tenants.
- In addition, we have had a number of instances whereby some of our over 200 tenants within our portfolio have specific national or regional agreements with telecommunication providers. In each instance, we have cooperated with those tenants in order to provide access to both the buildings and the specific tenant spaces.

2. There Is No Such Thing As "Nondiscriminatory" Access

- There is no such thing as nondiscriminatory access. There are dozens of providers, but limited space in buildings means that only a handful of providers can install facilities in buildings. "Nondiscriminatory" access discriminates in favor of the first few entrants, creating a barrier to entry for small providers and future providers. Building owners want to enhance competition and be able to do business with all providers, not just the few giants of today.
- A building owner must have control over who enters the building, especially when there are multiple providers involved. A building owner faces liability for damage to a building, leased premises, and facilities of other providers, and for personal injury to tenants and visitors. A building owner is also liable for safety code violations. Allowing forced access, even misleadingly couched as "nondiscriminatory" access, shifts the costs of correctly installing equipment in a way that will not harm the tenants or the physical premises to the building owner.
- There is no such thing as discriminatory building access because the terms of building access must necessarily vary. For example, a new company without a track record poses greater risks than an established one, so indemnity, insurance, security deposit, remedies and other terms may differ. The value of building space and other terms also depend on many factors, such as location and availability of space.
- Building owners must be vigilant for the qualifications and reliability of telecommunications providers in order to protect tenants. We can provide many examples of telecommunications providers giving tenants shoddy service, refusing to connect tenants, improperly installing equipment or wiring and causing property damage or endangering tenants.

- "Nondiscriminatory" access amounts to federal rent control. Building owners often have no control over terms of access for Bell companies and other incumbents: they were established in a monopoly environment. The only fair solution is to let the new competitive market decide and allow owners to renegotiate terms of all contracts. A building owner must not be forced to apply old contracts with the Bell company as lowest common denominator because the building owner had no real choice in negotiating those contracts.
- If carriers can discriminate by choosing which buildings and tenants to serve, building owners should be allowed to do the same. The issue is not open access to all, but rather is compensation for the utilization of rooftop space, internal building space and/or internal building risers. Telecommunication companies should be expected to adequately compensate building owners for the utilization of these three areas. As a major building owner, we are only interested in providing adequate compensation to us for the use of these types of spaces. The actual selection by a tenant of the telecommunications company, the terms of those negotiations, etc. are between the specific telecommunications company and the individual tenant.

3. Scope of Easements

- The FCC cannot expand the scope of the access rights held by every incumbent carrier (the Bell-type companies) to allow every competitor to use the same easement or right-of-way. Grants in many buildings are narrow and limited to facilities owned by the grantee.
- If owners had known government would allow other companies to piggyback on the incumbent, they would have negotiated different terms. Expanding rights now would be an unconstitutional taking.

4. Demarcation Point

- The current demarcation point rules are working because they offer flexibility. There is no need to change them.
- Each building is a different case, depending on the owner's business plan, nature of property and nature of tenants in the building. Some building owners are prepared to be responsible for managing wiring and others are not.

5. Exclusive Contracts

- In order to more adequately serve our tenants and provide professional management for this complex telecommunications arena, we have entered into an exclusive management contract with Apex Site Management, a national telecommunications management firm.
- This agreement in no way is exclusive as relates to tenancy access to telecommunications firms. It is only exclusive as relates to our management company entering into agreements with telecommunications companies.

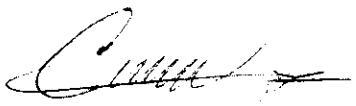
- Our belief is that our tenants will be better served through Apex's efforts to accelerate a variety of telecommunications firms locating facilities within our buildings. Importantly, Apex also provides installation safeguards and provides a monitoring of the overall installed facilities in order to eliminate any unsafe or overlapping conditions that would adversely affect the quality of the delivered services.

6. Expansion of Satellite Dish Rules

- The FCC should not expand the rules to include data and other services, because the law only applies to antennas used to receive video programming.
- Expanding the rules would only hurt tenants and adversely impact our property. For example, we have had instances in the past whereby tenants on an unauthorized basis, had satellite dishes installed on our roofs. These installations require roof penetrations, which subsequently caused building leaks. In other situations, the roofs were not structurally capable of handling the wind load from the installed satellite dishes and we had instances of both roof and equipment damage resulting from high winds.

In conclusion, we urge the FCC to consider carefully any action it may take, as we believe that the current proposals are unwarranted and unconstitutional. Thank you for your attention to our concerns.

Sincerely,



Clay W. Hamlin, III
Chief Executive Officer